

The Benefits of Public Transportation: Essential Support for a Strong Economy

Data from the American Public Transit Association, Summarized by Transportation Riders United

Through increased jobs, income, profit and tax revenue, dollars invested in public transit provide an economic stimulus far exceeding the original investment. Studies estimate *every dollar invested in public transit returns six dollars in economic benefit.*

Public transit creates jobs

Every \$100 million invested in public transit create and support roughly 4,000 jobs.

- According to US DOT director Norman Mineta, every \$1 billion invested in the nations' transportation infrastructure **supports approximately 47,500 jobs.**
- Transit capital investment is a significant source of job creation. In the year following the investment **314 jobs are created for each \$10 million invested** in transit capital funding.
- Transit operations spending provides a direct infusion to the local economy. **Over 570 jobs are created for each \$10 million invested in the short run.**
- Tri-Rail of South Florida expects its five-year public transportation development plan to **spawn 6,300 ongoing system-related jobs.**
- New York's East Side Access project is expected to **generate 375,000 jobs** and \$26 billion in wages.

Public transit stimulates development and redevelopment.

Many new public transit lines stimulate over \$1 billion in new development within a few years.

- In 2000, the average downtown vacancy rate for cities without rail was 12.8%, but 8% for all cities with rail transit.
- There has been **over \$3.3 billion in new property development and redevelopment** completed, underway or planned near Dallas Area Rapid Transit light rail stations.
- St. Louis has seen substantial transit-oriented development, redevelopment and real estate investments near its Metro Link light rail system opened in 1993, **generating approximately \$1 billion to Metro's service area.**
- Within five years after the construction of Portland's light rail line, **over 7 million square feet of new development valued at over \$900 million** occurred adjacent to light rail.

Public transit boosts business revenues and profits.

Businesses often realize a gain in sales three times the public sector investment in transit capital; a \$10 million investment results in a \$30 million gain in sales.

- In St. Louis, the public transit system modernization and expansion is expected to bring in **\$2.3 billion in business sales.**
- Businesses located near the Dallas Area Rapid Transit light rail starter line have experienced a nearly **33% jump in retail sales** in one year, compared to just 3% elsewhere in the city.

Public transit increases value and income for property owners.

Across American, properties that are within a short walk to a train stop are selling for 20-25% more than comparable properties further away.

- In Dallas, residential properties near light rail stations on **average increased in value 39%** and office buildings by 53%, compared to similar properties not near rail. The increase in taxable value of properties located near Dallas' DART light rail stations was **25% higher** than elsewhere in the metro area.
- In Chicago, properties adjacent to transit stations had a **20% higher increase in value** compared to those located a half-mile away.

Public transit benefits local and state tax revenues.

- A typical state or local government could realize a 4 to 16 percent gain in revenues due to the increases in income and employment generated by investments in transit.
- The Washington Metrorail system is expected to generate \$2.1 billion in tax revenues for Virginia over 30 years.
- Mixed-use development surrounding the Southwest Station in Eden Prairie, MN, will annually return over \$400,000 in residential property taxes and nearly \$300,000 in retail property taxes.

Public transit enhances productivity and reduces costs.

- Americans living in public transportation-intensive metro areas **save \$22 billion** annually in transportation costs.
- The Altamont Commuter Express from Sacramento to San Francisco can **cut annual commuting costs in half, from \$5,300 to \$2,700 annually.**
- For every \$10 million invested in public transit, over \$15 million is saved in transportation costs to both highway and transit users, including operating costs, fuel costs, and congestion costs.

In addition, efficient public transportation enhances access to opportunity, increases productivity, saves money, limits air pollution, decreases traffic congestion and protects personal freedom, choice and mobility.

In short, public transportation is an investment in economic development and job creation that Michigan can't afford to pass up.



Transportation Riders United
500 Griswold Suite 1650 Detroit, MI 48226
(313) 963-8872, Fax (313) 963-8876

"Moving Us Forward"

www.DetroitTransit.org

trumember@DetroitTransit.org

The Many Benefits of Public Transit

Quality rapid transit offers far more than just another way to get around. Here are some of the benefits of transit:

Urban Revitalization

Because many people prefer to live, work, shop and play near transit stations, transit lines often inspire billions of dollars of private investment in condos, shops, restaurants and more.

Job Creation

Many rapid transit projects create 10,000 jobs or more – not only direct construction and transit operation jobs but also jobs from new development built along transit lines.

Economic Development

Every dollar invested in public transit returns on average six dollars in local economic activity.

Improved Independence for Seniors, Teens, and the Disabled

Transit improves mobility for people who are unable to drive and allows them to become more independent and less reliant on others for their everyday transportation needs.

Healthier Living through Physical Activity

Not only do people often walk a few blocks to and from transit stations, but transit encourages more compact, pedestrian-friendly neighborhoods that encourage physical activity.

Poverty Alleviation

Transportation is the second largest expenditure in most households and Detroiters have among the highest transportation costs in the country. Transit can lower transportation costs, leaving more money available for housing, food, and other critical needs.

Cleaner Air, Healthier Kids

Transit decreases car travel, thus decreasing air pollution from vehicles. Air pollution exacerbates asthma and other diseases. A 22% decrease in auto use during the 1996 Olympic Games led to a 44% decrease in asthma-related medical visits.

Decreases Traffic Congestion

Shifting just 10% of commuters off of roads and highways onto transit can significantly decrease traffic congestion. This means less wasted time and gas for non-transit users and less need for expensive road and highway expansions.

Farmland Preservation

Transit encourages greater development in the urban core and inner suburbs, thus decreasing development pressure on farmlands on the suburban fringes.

Reduced Health Care Costs

Medicare and Medicaid spend over \$3.5 billion a year to provide transportation for non-emergency medical service, many through unnecessary ambulance service. Improved transit can decrease those transportation costs by offering a convenient alternative.

Economic Necessity of Rapid Transit Investments for Michigan

*Testimony by Transportation Riders United
and the Michigan Suburbs Alliance
to the House Commerce Committee*



10/22/2007

Testimony

Introduction

Economic Benefits

Rapid Transit Projects

State Action

Michigan's Golden Spike

www.MichiganTOD.org



michigan suburbs alliance



Tourism Economic
Development Council



Transportation Riders United



Transportation Riders United

Greater Detroit's Transit Advocate

- Improve Bus Service
- Promote Transit Ridership
- Oppose Unnecessary Highway Expansion
- Bring Rapid Transit to Greater Detroit

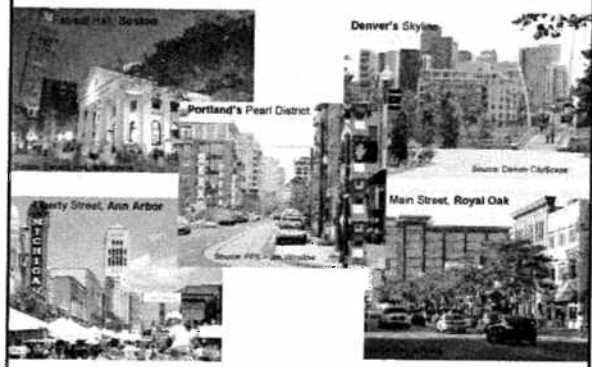
www.DetroitTransit.org



Economics of Rapid Transit

Rapid transit and transit-oriented development revitalize our urban areas and attract young knowledge workers

What Makes Other Places Attractive?



Transit-Oriented Development

Many people want places with:

1. A mix of uses
2. Walkable
3. Compact development
4. Near a transit stop



Difference Between Most Michigan Development and TOD



Existing conditions – built around cars, not people

Allow Mixed-Use



Mix uses and build closer to the sidewalk

Walkable



Slow down traffic and make streets for people, not just cars

Compact

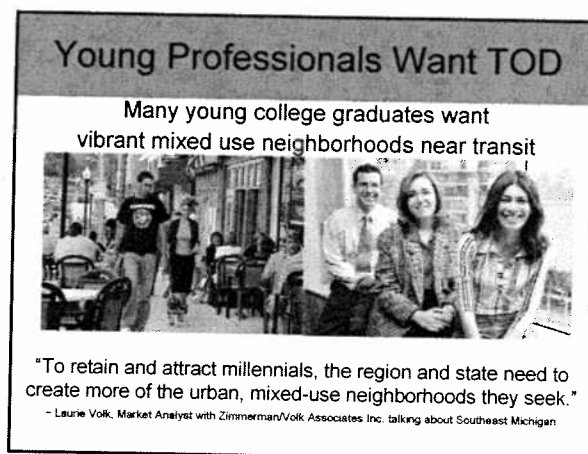
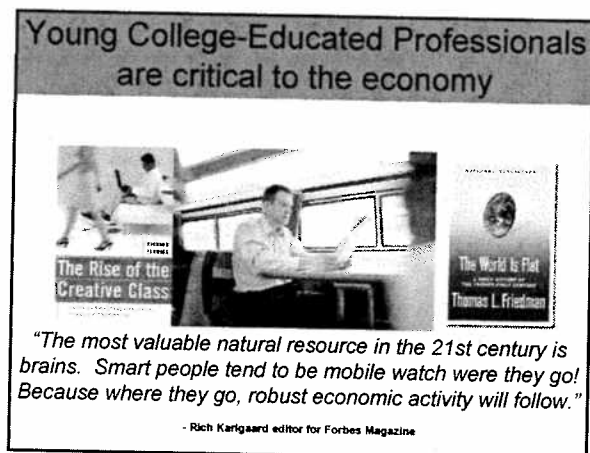
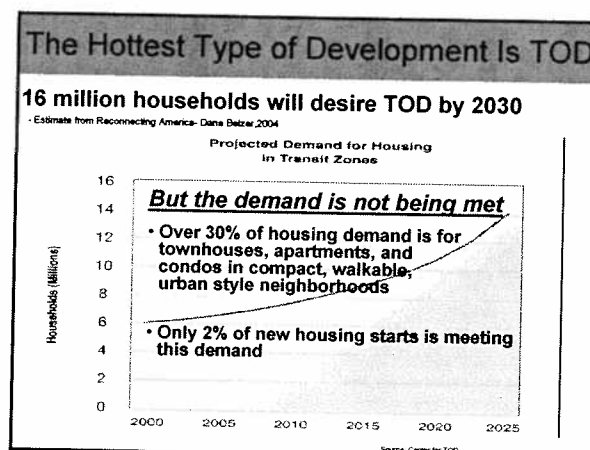
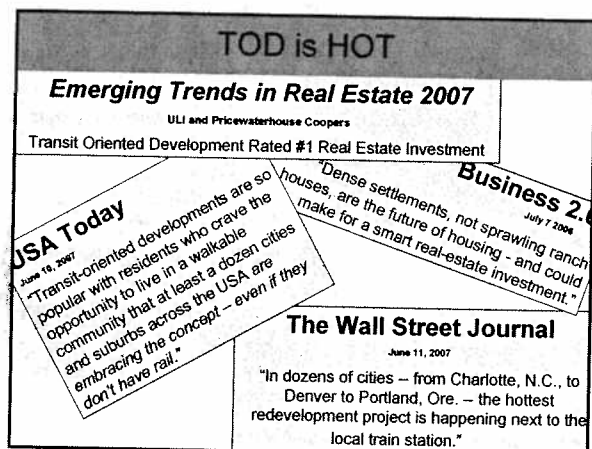
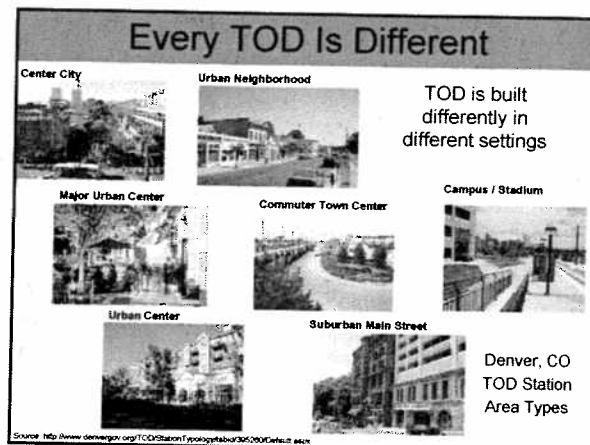
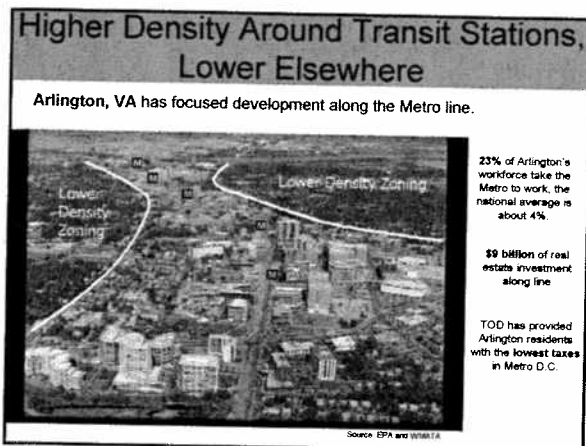


Increase density by focusing development

Convenient Public Transit



Density supports more transportation options



Many Seniors Want TOD



The Elderly Desire:

OPTIONS IN:

- Housing
- Transportation

ACCESS TO:

- Services
- Entertainment
- Public Spaces

80% of Americans over age 45 decide where to live based on proximity to the things they need as they become less mobile

— AARP National Survey



TOD is Economic Development

Dallas, TX



Mockingbird Station, Dallas' first TOD

Photos and Info Courtesy: Dallas Area Rapid Transit



- \$3.3 billion in private investment near DART stations
- Property values rose 39-53% faster near transit stations
- 32,000 jobs created within 6 years
- Local property tax revenue annually from TOD: \$78 million

TOD Brings Jobs and Productivity



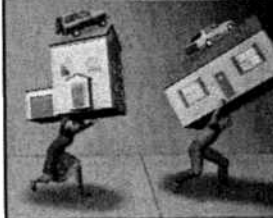
70% of 'New Economy' companies rated access to mass transit extremely important in selecting corporate locations



In the 3 years while the Portland westside MAX line was built, about \$14 billion was invested in high technology industries along the line and in the region creating thousands of new jobs.

— Henry Stephen Markus, TOD Advocate

Having Transportation Options Saves \$ Money \$



- Households in TODs drive 45% less than people in auto-dependent neighborhoods
- This saves an average of 512 gallons of fuel and \$1,400 in fuel expenses annually

— Linda Bailey, APTA

In greater Detroit, working class households are spending more money on transportation than for housing

— Center for Housing Policy



TOD can Revitalize Suburban Downtowns

Plano, TX



BEFORE TOD

AFTER TOD

- Started TOD planning before the train came
- Residential properties in the TOD went from \$2 million in 1998 to a tax valuation of over \$20 million today
- DART Station area generated about \$260 million of real estate investment

Photos and Info Courtesy City of Plano, TX Planning Department

TOD creates Communities



TOD's are good for your health

- Encourages Walking and Biking



Portland, OR

TOD's Improve Quality of Life

- Less time in traffic = More time with family and friends
- Improved accessibility = Affordable living



Black Point, Seattle, WA

TOD's are safe

- Slower auto traffic
- Fewer auto accidents
- More "eyes on the street"

Costs High, Benefits Far Higher

Rapid transit is expensive to build, often hundreds of millions of dollars.

But the benefits are enormous.

We can't afford not to make major investments in rapid transit.



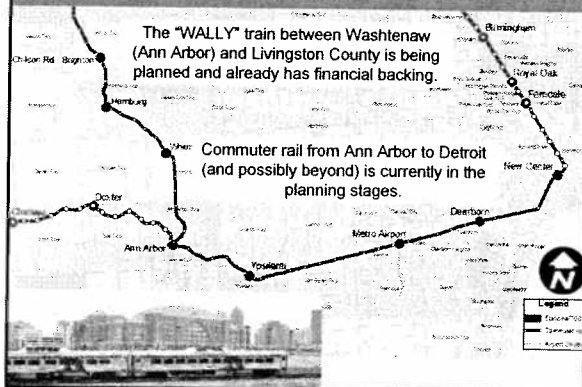
Rapid Transit Projects

Michigan can achieve these benefits.

Currently proposed projects include:

- Commuter trains linking Ann Arbor-Metro Airport-Detroit and Ann Arbor-Livingston Co.
- Detroit Transit Options for Growth
- Grand Rapids bus-rapid-transit and streetcar

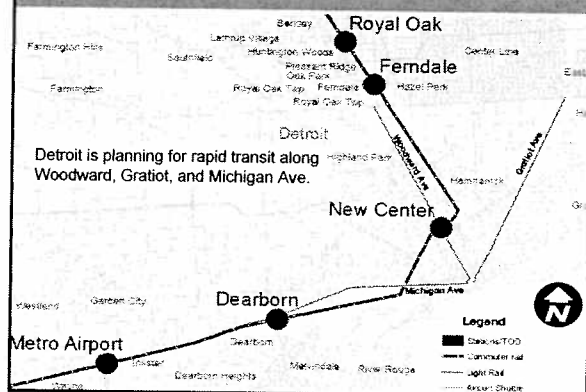
Transit is Possible in Southeast MI



Examples of Commuter Trains



Transit is Possible in Southeast MI



Modern Streetcar

Powered by electricity through an overhead wire

Operates on street, in same lane as other traffic

Carries fewer passengers than LRT

Stations have simple, basic amenities

Operating in Portland¹

1. Other U.S. cities have streetcars but use vintage vehicles, such as Kenosha, Wisconsin, Tampa, San Francisco and San Diego.



Portland Streetcar, Portland

Light Rail Transit


Powered by electricity through an overhead wire

Operates in its own "lane"


Can use one train, or couple two to three trains to increase passenger capacity

Operating in Minneapolis, Portland, Denver, Dallas, Pittsburgh and St. Louis

Under construction in Charlotte



MAX, Portland



Hiawatha LRT, Minneapolis

Under construction in
Charlotte




M.N. Potvin




Hieracium L. RT. *Mammalis*

Bus Rapid Transit

- Combines the speed of rail with the flexibility of buses
- Operates in its own lane
- Uses high-tech buses
- Has upgraded station amenities
- Employs automated fare collection system



The Philaeas Bus



Flushing Bayway

PHILAEAS BUS: © 2004 BY THE PHILADELPHIA TRANSIT CORPORATION. FLUSHING BAYWAY: © 2004 BY THE NEW YORK CITY TRANSIT CORPORATION.



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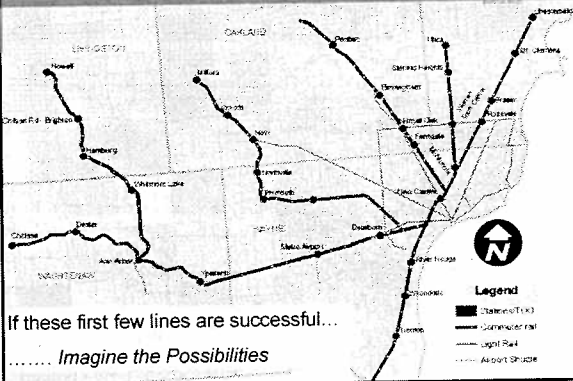
The Phileas Bros



Discharge System

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If these first few lines are successful...
..... *Imagine the Possibilities*



Michigan Suburbs Alliance

- Mission - unite and strengthen metropolitan Detroit's mature suburbs by:
 - elevating regional cooperation,
 - reforming public policies, and
 - innovating redevelopment strategies.
- Represents more than half of the region's mature, inner-ring suburbs, nearly 1,000,000 residents.

www.SububsAlliance.org



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State Action Needed

- State Action Needed**
- Regional governance
 - New economic development tools
 - Consistent, sufficient public financing